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SUBJECT: AMBASSADOR VISITS PUERTO PRINCESA, PALAWAN

¶1. SUMMARY: During a November 3-4 trip to the island of Palawan, the Ambassador visited Western Command (WESCOM) Headquarters; spoke to local tricycle drivers about the success of a USAID pollution reduction and traffic control project; met with local Peace Corps Volunteers and environmental NGO leaders about the cleanliness of Puerto Princesa City; spoke with students at the Western Philippine University (WPU) about Peace Corps activities in Palawan; and engaged with local and provincial leaders about joint military and environmental cooperation between the U.S. and the Philippines. Ambassador was enthusiastically welcomed by residents and covered well by media. End Summary.

WESTERN COMMAND (WESCOM)

¶2. Vice-Admiral Danga told Ambassador and JUSMAG leadership that the joint Philippine - U.S. "Talon Vision" and "PHIBLEX" military exercises were a success. Both militaries learned from the other, and both helped local residents with medical care and with school construction. Danga said that he would like to continue military cooperation, but suggested that future military exercises be conducted in the Muslim areas of southern Palawan, specifically Balabac, to include a population that is at the center of the hearts and minds campaign by the AFP. WESCOM's leadership said it was proud of its role in environmental conservation, which is in line with the environmentally friendly policies of Governor Reyes and Mayor Hagedorn.

¶3. WESCOM protects 755,412 people on 1,768 islands (including the hotly contested Spratly Islands). It covers two congressional districts, 23 municipalities, and one city (Puerto Princesa). It protects the commercial operations of the 4.8 billion Malampaya gas pipeline that runs from Palawan to Batangas in Central Luzon. This gas project will generate approximately 2,700 megawatts of power for the next 20 years.

USAID Tricycle Project

¶4. Ambassador was greeted at the city Coliseum by Mayor Hagedorn and Mr. Efnie Lusoc, the President of the Federation of Tricycle Operators and Drivers Association. Ambassador was briefed on the USAID and Puerto Princesa City "Clean Air for Puerto Princesa" project to reduce vehicle emissions from tricycles and improve the air quality in the city. The city government took up the successful program in June 2005. Hagedorn and Lusoc said they were grateful for USAID assistance in reducing air pollution and traffic congestion. A before and after video of a major Puerto Princesa street showed the success of the tricycle project. Not only was traffic improved, but the wages of tricycle drivers went up by 50 percent, which was attributed to increased passenger volume due to fewer tricycles on the streets. Local leaders are proud of the cleanliness, order, and

economic viability they have achieved with this program. Both Hagedorn and Lusoc said they welcomed future USAID projects in Puerto Princesa City. Mayor Hagedorn took the Ambassador on a ceremonial tricycle ride and photo-op, which were warmly received by local media, politicians, residents, and school children.

Peace Corps and Environmental NGO Lunch

15. Ambassador hosted a lunch for environmental NGOs and two of the nine Peace Corps Volunteers in Palawan. NGO leaders stressed the importance of balancing tourism and economic growth with environmental conservation and protection. They want to limit the growth of the mining industry, which does not provide many jobs and is a serious threat to the environment. They said that illegal fishing and logging by foreigners, principally from other Asian countries, was not punished by the judiciary, while Filipinos engaged in similar activities were punished. The outcome of the decisions or lack of decisions by the judiciary was leading to repeat foreign offenders. NGO leaders want to continue working with USAID and PCVs and want to strengthen their relationship with the Philippine government.

Western Philippine University (WPU)

16. Peace Corps Volunteer Michael Bercik is assigned to the Western Philippine University (WPU), one of two institutions of higher learning in Puerto Princesa City. The WPU offers a wide range of courses, including agriculture science, journalism, and criminology. The WPU was on break, but warmly welcomed the Ambassador to its Puerto Princesa Campus. The Ambassador met privately with WPU President Concepto B. Magay, spoke to a group of 14 students and six

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faculty members about the role of the Peace Corps, and spoke on the importance of English in education and in the work place. A question and answer session followed. Students wanted to know how to get a visa to the U.S., how to study in the U.S., and what the USG could do for them and their country. The Ambassador encouraged students to keep on learning and taking risks in order for them to achieve their goals and become successful leaders.

Chambers of Commerce

17. Ambassador Kenney met with members of the Palawan Chamber of Commerce and Industry and the Palawan Filipino-Chinese Chamber of Commerce and Industry. The Palawan Chamber members said that ecotourism can help Palawan in the future, but poor infrastructure has not yet made it a reality. Conversely, the Chinese-Filipino Chamber representative Vic Tan believed that local NGOs and environmental considerations by the government obstruct business growth.

18. Members of the local chambers were unsure how to promote Palawan business, but were eager to discuss how U.S. Embassy Manila could help them achieve their objectives. They were interested in getting speakers from the Economic Section, Foreign Agricultural Service, and Foreign Commercial Service to come speak to local business leaders.

19. Most Palaweos are city government employees and unskilled workers who fish and farm rice, mangoes, and cashews. The lack of industry makes employment difficult in Palawan. The mining industry does not create many jobs, and the tax revenue generated by the mines goes to Manila, though processed fruit and fish products may be a way to create new industry.

110. The national government recently announced that 3 billion pesos (50 pesos per dollar) will be appropriated for the upgrading of the Puerto Princesa airport, with hopes that Palawan will become an international gateway in the next two years. Another 4 billion pesos will be appropriated in the next three years for the improvement of

the road system from northern to southern Palawan. The Strategic Environment Plan, unique to Palawan, requires an environmental clearance that takes three months to process, thus discouraging the establishment of big factories and industrial plants.

Dinner with Palawan Politicians

¶11. Governor Reyes and Mayor Hagedorn hosted a dinner for the Ambassador, which included Representatives Antonio Alvarez and Abraham Kahlil Mitra. All agreed that joint Philippine - U.S. "Talon Vision" and "PHIBLEX" military exercises in October 2006 were a success. Like Vice-Admiral Danga of WESCOM, they recommended that future exercises be held in the Muslim region of southern Palawan.

¶12. Although belonging to different political persuasions, local politicians in Palawan, led by Governor Reyes and Mayor Hagedorn, forged an unprecedented alliance in the May 2004 presidential elections to support PGMA. They are one as well in pushing for the development of the province, with a focus on environmental protection, tourism, investment, peace, and order. The May 2007 midterm elections will test the strength of this alliance.

Media

¶13. Ambassador Kenney underscored the long standing friendship between the U.S. and the Philippines in an interview with Ms. Leny Escaro for both DYPR Radio and the local ABS-CBN TV affiliate, and in a telephone interview with Ms. Mitchie Hitosis of DYER Radio. The Ambassador also visited DYSP Super Radyo Studio, where she was enthusiastically welcomed, and had a live radio interview with Mr. James Viernes. Local press widely covered the Ambassador's visit and the USG contributions to peace in prosperity in Palawan.

KENNEY